Everything You Need to Know About SBA Disaster Loans

August 12, 2026

The information in this presentation is accurate as of this date.
As disaster response is dynamic, please stay connected to updates from the SBA at www.sba.gov/updates.

U.S. Small Business Administration

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Preparedness and Disaster Recovery

SBA Office of Disaster Recovery and Resilience

Managing Your Business

Preparing for Emergencies

Some reasons small businesses are vital to a community's recovery:

- Providing essential goods and services
- Offering employment
- Serving as informal gathering points
- Reinforcing local economic stability
- Creating a sense of normalcy

When small businesses understand their disaster risks, anticipate potential impacts, and prepare in advance, they resume operations sooner and recover faster.

The ***SBA Business Resilience Guide*** (download at sba.gov/prepare) breaks down activities to make the process of planning for and recovering from a disaster manageable.

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SBA Business Resilience Guide

Reducing Risks and Building on Strengths

SBA Business Resilience Guide: Reducing Risks and Building on Strengths					
Section 1: Documenting the Current State	**Section 2: Identifying Critical Relationships**	**Section 3: Safeguarding Resources**	**Section 4: Addressing Financial Matters**	**Section 5: Becoming More Resilient**	**Appendices: Worksheets**
❑ Inventory and Equipment	❑ Essential Contacts	❑ Strengthening Facilities	❑ Reviewing Insurance Plans	❑ Anticipating Recovery	❑ Appendix A: Inventory and Equipment
❑ Business Functions	❑ Preparing Employees	❑ Safeguarding Data	❑ Reviewing Finances	❑ Fortifying Buildings	❑ Appendix B: Business Functions
❑ Vulnerability Assessment	❑ Supply Chain	❑ Records Management		❑ Possible Risk Reduction Activities	❑ Appendix C: Courses of Action
❑ Recovery Methods					❑ Appendix D: Contact Tree

Business Preparedness Resources

Step 1: Assess Your Risk

- Many businesses do not reopen again after a disaster.
- Knowing which disasters are most likely to affect your business can help you to return to operations faster.

Step 2: Create a Plan

- Free counseling from SBA resource partners: sba.gov/local
- SBA Business Resilience Guide (download at sba.gov/prepare) breaks down activities to make the process of planning for and recovering from a disaster manageable.
- IRS disaster guide: irs.gov/businesses/small-businesses-self-employed/preparing-for-a-disaster-taxpayers-and-businesses
- FEMA preparedness checklist and toolkit: ready.gov/business
- Hazard-specific tips: sba.gov/business-guide/manage-your-business/strengthen-your-cybersecurity
  fcc.gov/cyberplanner
  Earthquake safety tips
  Tsunami safety tips
  Wildfire safety tips
  Drought safety tips
  Winter Weather safety tips
  Flood safety tips
  Volcano safety tips

Step 3: Execute Your Plan

- Practice your plan with your staff so you're ready when a disaster occurs.

SBA

Disasters Happen. Prepare Your Business.

40% of all businesses that close after a disaster never reopen.*

Businesses can protect themselves with an up-to-date plan of action.

Prepare your business and learn more by visiting sba.gov/prepare

*According to the National Flood Insurance Program

If Disaster Strikes, How Does SBA Help?

SBA Low-Interest Disaster Loans

Each year, the SBA provides billions of dollars in low-interest, long-term **disaster loans** to help small businesses, private nonprofit organizations, homeowners (primary residence), and renters recover from declared disasters. Loans may help with:

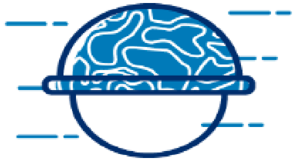
Real Estate

Personal Property

Economic Injury

Machinery & Equipment

Inventory



Active-Duty Military

Presidential Declaration

A disaster occurs resulting in damage

⇩

Survivors report their damages

⇩

Local/county/state emergency management personnel assess the damages

⇩

FEMA, SBA, and the State perform a Preliminary Damage Assessment (PDA), the Governor evaluates the assessment and requests a declaration

⇩

FEMA recommends a declaration for Individual Assistance (IA) / Public Assistance (PA) be granted

⇩

The President approves the request and issues a disaster declaration

Administrative (Agency) Declaration

A disaster occurs resulting in damage

⇩

Survivors report their damages

⇩

Local/county/state emergency management personnel assess the damages. If sufficient and requested, SBA conducts a Survey

⇩

If SBA finds sufficient damage, the Governor evaluates and requests a declaration via letter to SBA

⇩

SBA reviews the request prior to forwarding to the Administrator. SBA Administrator approves the request and issues a disaster declaration

SBA Disaster Loan Program

The SBA disaster loan program is activated in conjunction with approval of a major (Presidential) declaration; or an SBA Administrative (Agency) disaster declaration (for smaller disasters).

- Disaster loans help survivors with their long-term recovery needs.
- Disaster loans are for uninsured, underinsured, or otherwise **uncompensated losses** (**including deductibles applied to insurance settlement amounts**).
- Disaster loans are direct from the federal government, not from a bank.

SBA Disaster Loan Type and Limits

Types of Loans	Borrowers	Purpose	Maximum Amount
Business Loans	Businesses and private nonprofits	**Repair or replace** real estate, inventory, equipment, etc.	$2 million
Economic Injury Loans	Small businesses and private nonprofits	**Working capital** loans	$2 million
Home Loans	Homeowners	Repair or replace **primary residence**	$500,000
Home Loans	Homeowners and renters	Repair or replace **personal property**	$100,000
Mitigation	Businesses, private nonprofits, and homeowners	**Mitigate**/prevent future loss	20% of verified physical damage. Homeowners limited to $500,000

- **60-day grace period to submit application after the filing deadline (without justification).**

Benefits of an SBA Disaster Loan

Affordable

Low-interest rates, no application fees, and no prepayment penalties keep recovery within reach.

Flexible

First payment deferred for 12 months from date of note, 0% interest for 12 months from date of initial disbursement, a mitigation option to apply for additional funds to help prevent future disaster losses, and loan modification to adjust the loan to meet changing needs allows flexibility while you manage your recovery.

Accessible

No collateral required for loans up to $50K on Presidential declarations, and funds can be disbursed even before insurance pays out.

SBA Disaster Loans are Affordable

No Cost to Apply

Start an application with zero upfront costs.

Below-Market Interest Rate

Get competitive rates, lower than many standard loans.

Affordable

Loan Terms Up to 30 years

Spread payments over an extended term for manageable monthly costs.

Fixed Loan Payments

Survivors experience stability with payments that remain consistent for the life of the loan.

SBA Disaster Loans are Flexible

First Payment Deferred for 12 Months

Survivors can focus on recovery with no payments due for the first year.

Loan Modification Available

Adjust an SBA disaster loan to meet changing needs, such as covering unexpected damages.

Flexible

0% Interest Accrued for 12 Months Post-Disbursement

No interest accrues for a year.

Mitigation Option

Apply for additional funds to help prevent future disaster losses.

SBA Disaster Loans are Accessible

Funds Available Before Insurance Settles

Access funds quickly without waiting for insurance payouts.

No Collateral Required for Loans up to *$50,000

Receive up to $50K for both physical and economic injury disaster loans with no collateral for Presidential Declarations.

*Up to $14K for physical damage loans under Agency declarations.

Accessible

No Obligation to Take the Loan if Approved

Accept the loan only if it works for you.

Refinancing or Relocation Available

Secure new options if relocating or refinancing becomes necessary.

SBA Disaster Loans for Homeowners and Renters

Homeowners may be eligible for up to $500,000 to cover **damage to primary residence**.

Homeowners and renters may be eligible for up to $100,000 to replace **personal property**-including vehicles, shed, fence, etc.

If approved for physical damage loan, borrowers may request an additional 20% of total verified loss to protect property against future damage (**mitigation**).

SBA Disaster Loans for Businesses and Private Nonprofits

- $2 million loan limit can include a combination of physical damage, economic injury, and mitigation improvements.
- Disaster loan can be used for repair or replacement of:
  - Real Property (Building)
  - Machinery
  - Equipment
  - Fixtures
  - Inventory
  - Leasehold Improvements
- Loan may not be used to upgrade or expand a business, except as required by building codes.

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Economic Injury Disaster Loans (EIDLs)

- Working capital loans to help small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private nonprofit organizations of all sizes
- Maximum loan amount is **$2,000,000**
- Funds to pay financial obligations and operating expenses which could have been paid had the disaster not occurred e.g., fixed debt payments, payroll, accounts payable, etc.
- EIDLs do not replace lost revenue, lost profits, or fund expansion

Loan Terms:

- Up to **30 years**, based on ability to repay
- Low, fixed interest will not exceed **4%** for businesses.

Understanding Mitigation

- Mitigation helps protect your business against future disasters.

- Eligible SBA disaster loan borrowers may request to increase funding (up to 20% of verified loss) to help mitigate their home or business against future disasters.

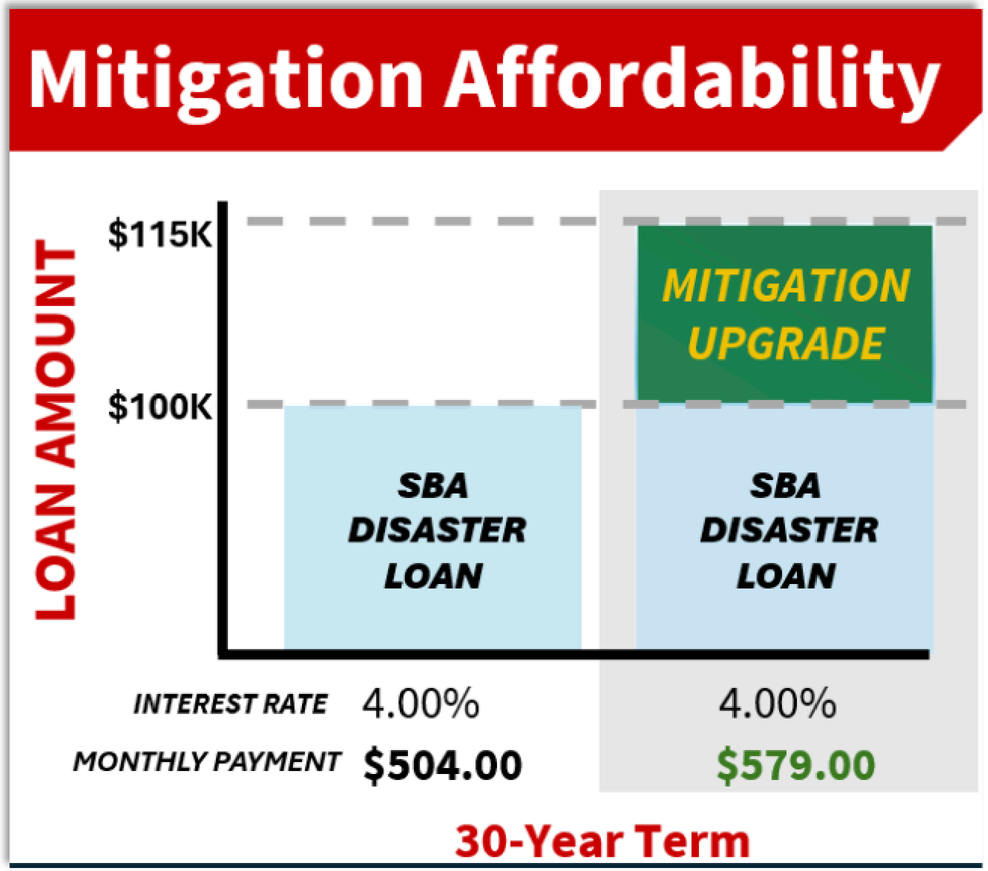
Mitigation

20% of the verified loss with a maximum total loan amount $2M for businesses.

Save lives, protect property, and help communities recover more quickly after a disaster. Mitigation funds help pay for improvements that safeguard homes and businesses and people from future harm.

Benefits of Investing in Mitigation

- Protects lives
- Helps reduce future property losses
- Helps with operational continuity
- Improves business resiliency
- Could lower insurance premiums
- Could increase property value
- May be required for building code compliance



Examples of Mitigation Projects

Flood Mitigation

- Sump pump
- Landscape improvements
- Elevation

Wildfire Mitigation

- Class A fire-rated roof
- Noncombustible gutters, fences, gates
- Dual- or multi-pane tempered glass windows

Wind Mitigation

- Wind-rated garage doors
- Hurricane roof straps
- Tornado safe room or storm shelter (built to FEMA guidelines)

Earthquake Mitigation

- Anchored rooftop-mounted equipment
- Window film

SBA Disaster Lending Helps Small Businesses Survive

18% **EMPLOYMENT**
Firms that received SBA loans hired more people

100% **REVENUE**
Employer firms that received an SBA loan earned twice the revenue

92% **FIRM SURVIVAL**
SBA loans helped 9 out of 10 firms stay in business post-disaster and firms exit at a lower rate

86% **BANKRUPTCY**
SBA loans helped firms avoid bankruptcy

Source: "After the Storm: How Emergency Liquidity Helps Small Businesses Following Natural Disasters" by Benjamin Collier, Sabrina T. Howell, and Lea Rendell, published April 3, 2024, https://www.nber.org/papers/w32326

Preparedness and Disaster Recovery

Connect and Stay Informed

Facebook: @SBA_ODRR

Instagram: @SBA_ODRR

X: @SBA_ODRR

LinkedIn: @SBA_ODRR

Website: www.sba.gov

Questions?

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Questions?

Questions?

Questions?

SBA Recovery Coordinator

CONTACT INFO

Bill Zagrocki

SBA Recovery Coordinator

Region 10

EMAIL:

william.zagrocki@sba.gov

PHONE:

(907) 251-3665

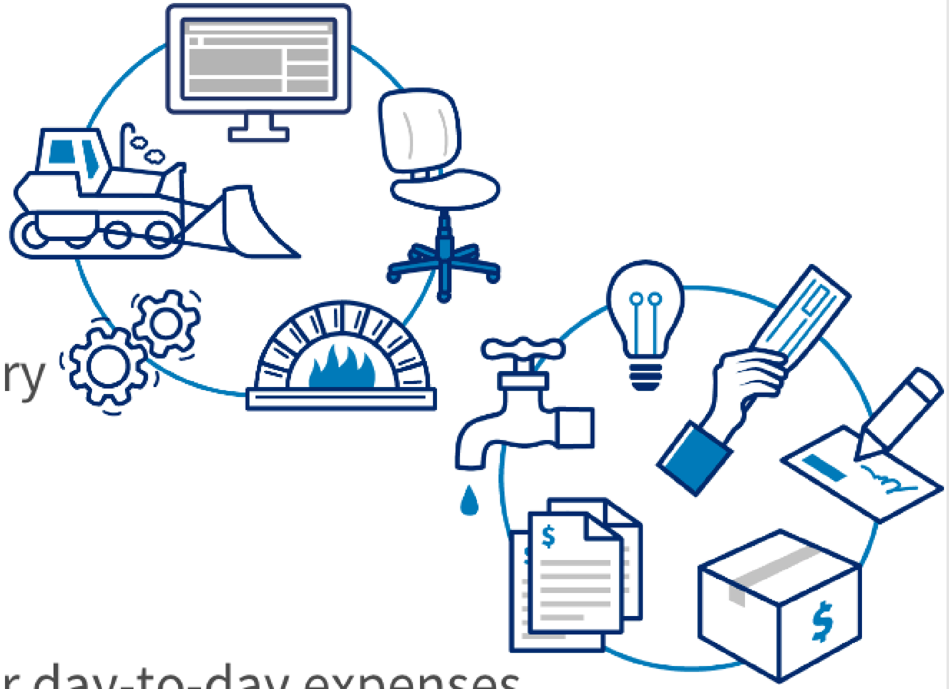
Other Local SBA Resources

U.S. Small Business Administration

SBA Loan Programs

SBA Microloan, 7(a) & 504 loans support business growth from $500 to $5 million

- ☑ Launch, grow, or repair a start-up
- ☑ Start or purchase a small business
- ☑ Purchase, renovate, or expand facilities
- ☑ Purchase inventory, equipment, or machinery
- ☑ Purchase land or real estate
- ☑ Export a product or service
- ☑ Access revolving credit or working capital for day-to-day expenses



SBA.gov/loans

U.S. Small Business Administration

How to find the right lender for you

- Current bank
- SBA.gov/microloans
- Lender List on SBA.gov/wa
- SBA lending events
- SBA.gov/LenderMatch

SBA Resource Partner Network

POWERED BY SBA U.S. Small Business Administration

SBDCs	SCORE	VBOC	WBC
Small Business Development Centers	**SCORE Mentors**	**Veterans Business Outreach Centers**	**Women's Business Centers**
Advising and training to support business start-ups and existing business expansion.	Nation's largest network of volunteer, expert business mentors dedicated to helping small businesses.	Entrepreneurial services for service members, veterans, National Guard and Reserve members, military spouses, and family members.	National network of entrepreneurship centers designed to assist women in starting and growing small businesses.

SBA.gov/local-assistance

SBA U.S. Small Business Administration

Additional SBA Resources to Explore

Contracting

Small business **certification** programs and other resources are designed to empower small businesses interested in **government procurement** opportunities.

Training

Local SBA staff and partners provide **training and education** on variety of business topics ranging from business plans to loan readiness.

Exporting

95% of a business' potential customers are outside of the U.S. The SBA and partners have a variety of programs and resources to support **international trade.**

Innovation

Whether it's **R&D funding** or small business **investment funds**, the SBA hosts a variety of programs to fund and spark innovation.

SBA Seattle District

Serving Washington state and northern Idaho

Seattle
2401 4th Ave., Suite 450
Seattle, WA 98121
206-553-7310

Spokane
801 W. Riverside Ave., Suite 444
Spokane, WA 99201
509-353-2800

infosdo@sba.gov

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